

InvestEU Scoreboard

Presentation of the financing or investment operation:

Implementing Partner: European Investment Fund (EIF)

Name of the Operation: Caixa Bank – RRF Spain – Uncapped Direct Guarantee (“UDG”) or (“the Intermediary”)

Type of approval: Individual financing or investment operation

Type of Financial Intermediary: Financial Institution (Bank)

Country(-ies) of implementation of the operation: Spain

Short description of the financing or investment operation:

The transaction aims to achieve the following:

(i) support to innovation and digitalisation driven SMEs and Small Mid-Caps. Consequently, it will aim to enhance access to finance to R&I intensive SMEs and Small Mid-Caps as well as support the uptake of digital technologies and digital transformation of enterprises.

As a part of the Innovation and Digitalisation Portfolio Guarantee Product, there is an expectation that more favourable conditions for the innovative companies to access debt financing shall support broader investment in innovation and technological developments.

and/ or,

(ii) support final recipients complying with at least one of the following criteria, as defined in the above-mentioned schedule and the Use Case Document of the Sustainability Guarantee:

- Sustainable Enterprise
- Green Investments
- Climate change mitigation
- Climate change adaptation
- Transition to a circular economy
- Water resources
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems
- Agriculture and Forestry
- Social Accessibility Investment

Public Statement

Eligible areas for the Operation in accordance with Annex II to the InvestEU Regulation:

Item 1 of Annex II of the InvestEU Regulation:

the development of the energy sector in accordance with the Energy Union priorities, including security of energy supply, clean energy transition and the commitments taken under the 2030 Agenda for Sustainable Development and the Paris Agreement

¹ The Investment Committee Secretariat shall liaise with each Implementing Partner in order to identify the financing or investment operations or sub-projects, which have been signed and for which the relevant Scoreboard shall be published in line with Article 24(5) of the Regulation.

Item 2 of Annex II of the InvestEU Regulation:

the development of sustainable and safe transport infrastructures and mobility solutions, equipment and innovative technologies in accordance with Union transport priorities and the commitments taken under the Paris Agreement

Item 3 of Annex II of the InvestEU Regulation:

environment and resources

Item 5 of Annex II of the InvestEU Regulation:

research, development and innovation

Item 6 of Annex II of the InvestEU Regulation:

the development, deployment and scaling-up of digital technologies and services, especially digital technologies and services, including media, online service platforms and secure digital communication, that contribute to the objectives of the Digital Europe Programme

Item 7 of Annex II of the InvestEU Regulation:

financial support to entities employing up to 499 employees, with a particular focus on SMEs, and small mid-cap companies

Item 10 of Annex II of the InvestEU Regulation:

the rehabilitation of industrial sites (including contaminated sites) and the restoration of such sites for sustainable use

Item 11 of Annex II of the InvestEU Regulation:

sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider sustainable bioeconomy

Item 12 of Annex II of the InvestEU Regulation:

social investments, including those supporting the implementation of the European Pillar of Social Rights

Item 15 of Annex II of the InvestEU Regulation:

seas and oceans, through the development of projects and enterprises in the area of the blue economy, and the Sustainable Blue Economy Finance Principles, in particular through maritime entrepreneurship and industry, renewable marine energy and circular economy

This Operation is expected to contribute to the policy objectives set out in the Innovation and Digitalisation Guarantee Product, and the Sustainability Guarantee Product.

The implementing partner shall present the extent to which the financing or investment operation contributes to the eligible areas under InvestEU, in accordance with Annex II of the InvestEU Regulation, the investment guidelines and the conditions of the relevant financial product. As regards the Member State compartment within the meaning of Articles 9 and 10 of the InvestEU Regulation, the assessment shall include the policy objectives set out in the relevant contribution agreement.

Financing and investment operations must fall at least in one eligible area under the appropriate policy window of the relevant financial product.

Under this Operation, EIF will support/ provide financing to final recipients meeting the relevant product eligibility criteria with respect to the Sustainability Guarantee and the Innovation & Digitalisation Guarantee, as applicable.

The Sustainability Guarantee shall contribute to the green and sustainable transformation of the local economy by supporting access to debt financing for eligible final recipients.

The purpose of the Sustainability Guarantee shall be to address Spain's current challenges in supporting investments in green transitioning, energy efficiency and renewable energy production.

The Innovation and Digitalisation Guarantee shall provide support to innovation and digitalisation driven SMEs and Small Midcaps. Consequently, it shall aim to enhance access to finance to R&I intensive SMEs and Small Midcaps as well as support the uptake of digital technologies and digital transformation of enterprises. Digitalisation, particularly investment in Information Communication Technologies (ICT) has a strong impact on innovation, job creation, productivity, SME competitiveness and economic growth.

Additionally, the Innovation and Digitalisation Guarantee shall also seek to support investments aiming to enhance the transfer of technologies and research results to the market to support market enablers and cooperation between enterprises, the demonstration and deployment of innovative solutions and support for the scaling up of innovative companies.

EIF expects to support the Intermediary in originating final recipient debt transactions, which meet the enhanced access to finance measures, as described in the InvestEU Call for Expression of Interest published on EIF's website ensuring that the debt financing support provided to target final recipients is made on more favourable terms, compared to the standard credit and collection policies of financial intermediaries. The measures include, but are not limited to, improvement in pricing conditions.

The Sustainability Guarantee Product, implemented under the InvestEU Spain Member State Compartment, will enable the EIF to support this growing ecosystem at a scale in Spain that would not be possible or not to same extent out of the EU Compartment of InvestEU nor other EIF-managed resources for that purpose.

Whereas, the Innovation and Digitalisation Guarantee Product implemented under the InvestEU Member State Compartment, will enable the EIF to support this ecosystem at a scale that would not be possible or not to same extent out of other EIF managed resource for that purpose.

This Operation shall address specific market failures or suboptimal investment situations in Spain, in particular financial hurdles faced by Spanish enterprises in accessing finance, namely: increased cost of finance, lack of collateral and impaired credit channels.

Besides, the transaction shall aim at addressing the investment gap of Spanish SMEs and small mid-caps in at least one of the following areas:

- (i) research and innovation (which is a critical driver of productivity and economic growth, and essential for maintaining competitiveness), as well as promoting the digital transformation of businesses (in line with country-specific recommendation 3 of 2020) and contributing to the development of digital infrastructures and digital skills and the improvement of the competitiveness and resilience of the economy.
- (ii) sustainable and green financing which comes with additional complexities in terms of assessment, requirements both at the level of financial intermediaries and final recipients, as well as final recipients, coupled

with higher perceived risk by market operators. Worth to mention that green and sustainable technologies are typically considered more expensive, thus SMEs may be reluctant to invest in them.

This Operation shall address specific market failures or suboptimal investment situations in Spain, in particular financial hurdles faced by Spanish enterprises in accessing finance, namely: increased cost of finance, lack of collateral and impaired credit channels.

The SME and Small Mid-Caps financing market is characterised by persistent market gaps which occur when viable projects or viable SMEs do not get the financing, they require from Financial Intermediaries due to e.g. increased cost of finance, lack of collateral and Financial Intermediary's risk aversion.

Difficulties are specially faced by (i) start-ups and early-stage R&D Spanish companies with a lack of track record to access traditional funding for their growth, while the latter seek bespoke financing arrangements (grace periods, larger shares of bullet or balloon loans, longer tenors, etc.) and for (ii) SME and Small Mid-Caps targeting green and sustainable investments, being a market sector still at an incipient stage, particularly in Spain, and perceived as riskier with technologies typically considered as more expensive and capex intensive with the need of tailor made financing solutions (longer periods of repayment, larger shares of bullet or balloon loans...)

The Innovation and Digitalisation Guarantee Product, implemented under this Operation, aims to address the investment gap of Spanish SMEs and Small Mid-Caps in research and innovation (which is a critical driver of productivity and economic growth, and essential for maintaining competitiveness), as well as promoting the digital transformation of businesses and contributing to the development of digital infrastructures and digital skills and the improvement of the competitiveness and resilience of the economy.

The Sustainability Guarantee Product will alleviate the elements mentioned above by providing risk deleveraging for green lending and therefore incentivising financial intermediaries to in turn provide this type of lending, bringing clear green definitions and requirements, as well as supporting the market vis-a-vis the application of the EU Taxonomy for Sustainable Finance and, particularly for this type of final recipients that require a proportionate approach.

The EIF, via the final recipient debt transactions that will form part of this Operation, will contribute to addressing the market gap depicted above.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (Excellent)

Pillar 4 - Financial and technical contribution by the implementing partner (Very Good)

Pillar 5 - Impact of the financing or investment operation (Very Good)

Pillar 7 - Complementary indicators

Key characteristics	Expected as of time of submission	Comments
Leverage Effect	Indicatively 4x-7x for the Sustainability as well as for the Innovation & Digitalisation Guarantee	Preliminary estimation
Multiplier Effect	Indicatively 6x - 10x	
SMEW/SIW specific Indicators		
(a) Number of enterprises supported (expected):		
(b) Allocation volume dedicated to SME/Mid-Caps [%], if it can be reasonably estimated at the moment of submission:	Ca. 80% SMEs Ca. 20% Small Mid-Caps	Preliminary estimation